

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of San Diego Gas and Electric Company and Southern California Gas Company (E-3921) for: Adoption of Their Residential Electric and Gas Line Extension Allowance Methodologies and its Monthly Ownership Charge Methodology.	Application 05-09-019 (Filed September 14, 2005)
Application of Pacific Gas and Electric Company in Response to Resolution E-3921, Proposing Revisions to Line Extension Allowance and Related Matters. (U 39 M)	Application 05-10-016 (Filed October 13, 2005)
Application of Southern California Edison Company (U 338-E) Regarding Residential Line and Service Extension Allowances.	Application 05-10-019 (Filed October 14, 2005)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO

This ruling, prepared pursuant to Rules 6(a)(3) and 6.3 of the Commission's Rules of Practice and Procedure, and following prehearing conferences held on February 7, 2006 and March 23, 2006, addresses the scope, schedule and other procedural matters related to the captioned applications.

1. Scope

Resolution E-3921 (the resolution), dated June 16, 2005, ordered San Diego Gas and Electric Company (SDG&E), Southern California Gas Company (SCG), Pacific Gas and Electric Company (PG&E) and Southern California Edison

Company (SCE) to file applications addressing policy and methodologies for determining line extension allowances and monthly cost of ownership charges.

The resolution addressed advice letters filed by SCE, SDG&E and SCG to revise residential line extension allowances. In addition, the text of the resolution primarily addressed residential line extensions. Therefore, I conclude that the resolution intended that these applications be limited to residential line extensions.

The numerous decisions in Rulemaking 92-03-050 put into place the current line extension rules that apply to all regulated utilities. Any proceeding that makes substantial changes to these rules should, therefore, involve all of the regulated energy utilities. These applications apply only to SCE, PG&E, SDG&E and SCG. Therefore, they should be limited to those matters that clarify and facilitate implementation of the existing rules without substantial changes to them. For the above reasons, I find that the issues relating to residential line extensions to be addressed in these proceedings shall be as follows:

- Calculation of the net revenue on which line extension allowances are based.
- Whether the Cost of Service Factor should account for replacement in perpetuity.
- Sources of data for calculating line extension allowances.
- Whether line extension allowances should continue to be offered in portions of the utilities' service territories where publicly-owned energy utilities are offering service.
- Criteria for requiring a revenue impact estimate to be included in a line extension allowance change advice letter.

- Cost components to be recovered by the monthly Cost of Ownership Charge.
- The relationship of the monthly Cost of Ownership Charge to monthly charges for operations and maintenance of special distribution facilities, and the Cost of Service Factor.
- For SCE only, whether sub-transmission costs should be considered distribution costs for the purpose of calculating line extension allowances.

The applications filed by SCE, SDG&E and SCG address only residential line extensions, and do not involve major changes to the current rules. Therefore, they appear to fall within the scope of these proceedings. However, PG&E's application proposes, among other things, major changes to the treatment of non-residential line extensions in general, and both residential and non-residential line extensions in areas where publicly-owned utilities are providing or seeking to provide service to new developments within PG&E's service territory. For the reasons discussed above, these proposals are beyond the scope of these proceedings. A more appropriate means for PG&E to address its proposals is for it to file a petition for a rulemaking.

2. Schedule

The schedule shall be as follows:

- Parties' opening testimony served August 18, 2006
- Applicant's rebuttal testimony served September 5, 2006
- Evidentiary hearings September 18-22, 2006
- Opening briefs filed October 16, 2006

- Requests for final oral argument October 16, 2006
- Reply briefs filed October 30, 2006
- Submission date October 30, 2006
- Proposed Decision filed¹ January 29, 2007
- Final Commission Decision issued² March 30, 2007

The schedule is subject to change. This matter is expected to conclude on or before March 30, 2007, but in no event later than 18 months from the date of this scoping ruling.

Evidentiary hearings will be held, beginning at 10:00 a.m., on September 18, 2006, and at 9:30 a.m. thereafter, at the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

3. Consolidation

Since these applications were filed in compliance with the resolution and involve common issues, I will consolidate them.

4. Proceeding Category and Need for Hearings

In Resolution ALJ-3159, dated September 22, 2005, and Resolution ALJ-3161, dated October 27, 2005, the Commission preliminarily determined that

¹ Pursuant to Rule 8.1(b), the Proposed Decision shall be filed no later than 90 days after submission.

² Pursuant to Rule 8.1(c), the Commission's decision shall be issued no later than 60 days after the proposed decision is issued. Pursuant to Pub. Util. Code § 311(d), the Commission may vote on the proposed decision no earlier than 30 days after it is released.

the category of these proceedings is ratesetting, and that hearings are necessary. I confirm these determinations. Pursuant to Rule 6.4(a), this ruling may be appealed only as to category.

5. Ex Parte Communications

Parties shall comply with the rules concerning ex parte communications set forth in Rules 7(c) and 7.1.

6. Requests for Final Oral Argument

As shown in Section 2, and pursuant to Rule 8(d), any requests for a final oral argument shall be filed and served concurrently with the opening briefs.

7. Discovery

Parties shall follow the procedures set forth in Resolution ALJ-164 to resolve discovery disputes.

8. Service of Documents to the Assigned Administrative Law Judge

Serving parties shall provide the assigned administrative law judge with a hard copy, and an electronic copy in Microsoft Word and/or Excel format, to the extent practical.

Therefore, **IT IS RULED** that:

1. The Assigned Commissioner is Geoffrey F. Brown.
2. The assigned administrative law judge, Jeffrey P. O'Donnell, is the principal hearing officer.
3. The scope of these proceedings is as set forth in Section 1.
4. The schedule is as set forth in Section 2.
5. Application (A.) 05-09-019, A.05-10-016, and A.05-10-019 are consolidated.
6. The category is ratesetting. Pursuant to Rule 6.4(a), this ruling as to category may be appealed.
7. Hearings are needed.

8. Parties shall comply with the ex parte rules set forth in Rules 7(c) and 7.1.
9. Requests for a final oral argument shall be filed and served concurrently with the opening briefs.
10. Serving parties shall provide the assigned administrative law judge with a hard copy, and an electronic copy in Microsoft Word and/or Excel format, to the extent practical.

Dated April 4, 2006, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling and Scoping Memo on all parties of record in this proceeding or their attorneys of record.

Dated April 4, 2006, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.